

Message Text

UNCLASSIFIED

PAGE 01 LUXEMB 00084 231318Z

65

ACTION EUR-12

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 PA-02 PRS-01

NSC-05 SS-15 STR-04 CEA-01 SEC-01 FTC-01 /108 W

----- 123316

R 231215Z JAN 76

FM AMEMBASSY LUXEMBOURG

TO SECSTATE WASHDC 4898

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY BERN

AMEMBASSY OTTAWA

AMEMBASSY NASSAU

UNCLAS LUXEMBOURG 0084

E. O. 11652: N/A

TAGS: EFIN, LU

SUBJECT: FIRST REPAYMENTS ANNOUNCED FOR INVESTORS IN
ITT (OF IOS) FUND

1. BANKING COMMISSIONER ALBERT DONDELINGER CONFIRMED IN A
PRESS CONFERENCE THAT THE FIRST REPAYMENTS OF INVESTORS
FROM THE LIQUIDATION OF THE INTERNATIONAL INVESTMENT TRUST
(IIT) WILL BE DISTRIBUTED BEGINNING JANUARY 23. THE RATE
OF REPAYMENT IS US\$1.50 PER SHARE. THE TOTAL AMOUNT
INVOLVED EXCEEDS \$21 MILLION, WHICH WILL BE DISTRIBUTED
TO 69,183 INVESTORS (57.8 PERCENT OF TOTAL INVESTORS)
WHO HOLD 51.4 PERCENT OF SHARES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LUXEMB 00084 231318Z

2. THE OFFICIAL IIT LIQUIDATORS HERE EMPHASIZED THAT THIS IS ONLY A PARTIAL REPAYMENT. A NUMBER OF LISTED SHARE-HOLDERS HAVE NOT YET RETURNED A VERIFICATION OF THEIR INVESTMENT IN THESE FUNDS. FOR THIS REASON, THE LIQUIDATORS HAVE RETAINED THE EQUIVALENT OF \$1.50/SHARE OF TOTAL AMOUNT RECOVERED TO DATE. THE \$33.5 MILLION RECOVERED IN LUXEMBOURG AND \$41.3 MILLION IN TORONTO, PLUS \$5.3 MILLION OF NET INCOME, RESULT IN A TOTAL OF \$80 MILLION RECOVERED, REPRESENTING THEORETICALLY \$3.00/IIT SHARE. HOWEVER, LIQUIDATORS ARE REQUIRED TO BE SOMEWHAT CAUTIOUS IN REPAYMENT BECAUSE OF POSSIBLE LIABILITIES CLAIMS BEFORE FINAL REPAYMENT.

3. ADDITIONAL FUNDS ARE CURRENTLY TIED UP BECAUSE OF LEGAL PROBLEMS CONCERNING DEPOSITS OF THE NOW BANKRUPT BAHAMAS COMMONWEALTH BANK LTD. AT THE BANK OF MONTREAL. THE FUNDS CANNOT BE FREED FOR DISTRIBUTION TO IOS INVESTORS WITHOUT APPROVAL OF THE LIQUIDATORS OF THE BAHAMAS BANK. THE IIT LIQUIDATORS IN LUXEMBOURG HOPE THAT THE LIQUIDATORS IN NASSAU (PEAT, MARWICK, MITCHELL & CO.) AND BAHAMIAN AUTHORITIES WILL TAKE NECESSARY ACTION FOR AN EARLY AND EQUITABLE SOLUTION TO THIS PROBLEM. LUXEMBOURG AUTHORITIES TRUST THAT CONCERN FOR THE REPUTATION OF NASSAU'S FINANCIAL CENTER WILL ENCOURAGE POSITIVE ACTION. THE AMOUNT DEPOSITED IN THE BANK OF MONTREAL IS \$105 MILLION, OF WHICH \$85.5 MILLION COME FROM ONE PROVISIONAL SETTLEMENT OF THE IIT FUND. ALLOWING FOR INTEREST ESTIMATED AT \$24 MILLION, IIT DEPOSITS SHOULD REACH APPROXIMATELY \$109 MILLION.

4. LUXEMBOURG LIQUIDATORS EMPHASIZE THE IMPORTANCE FOR IIT INVESTORS TO RETURN A CONFIRMATION OF THEIR SHAREHOLDINGS TO THE FOLLOWING ADDRESS: IOS FUND LIQUIDATORS, BP 01212, FERNEY-VOLTAIRE, FRANCE. ALSO, ANY INVESTOR NOT HAVING RECEIVED A STATEMENT OF ACCOUNT SHOULD INFORM THAT SAME OFFICE. SOME 1428 LUXEMBOURGERS HELD SHARES IN IIT. APPROXIMATELY 85 PERCENT OF TOTAL INVESTORS, HOWEVER, WERE WEST GERMAN NATIONALS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LUXEMB 00084 231318Z

5. MR. DONDELINGER POINTED OUT IN A PRESS CONFERENCE THAT THE "FUND OF FUNDS", ALSO OF THE IOS GROUP, WAS ESTABLISHED IN CANADA AND IS VERY CLOSELY LINKED WITH DEPOSITS IN THE BANK OF MONTREAL. ANY RESOLUTION OF ITS STATUS WILL DEPEND ON THE DECISIONS REACHED BY THE LIQUIDATORS AND GOVERNMENT AUTHORITIES IN THE BAHAMAS.

6. US SECURITIES AND EXCHANGE COMMISSION IS BEING

INFORMED IN FULL ON THE IIT LIQUIDATION BY THE
LUXEMBOURG BANKING COMMISSION. PHILLIPS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LIQUIDITY (MONETARY), DEBT REPAYMENTS, INVESTORS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LUXEMB00084
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760027-0423
From: LUXEMBOURG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760128/aaaaayja.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hattaycs
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2004 by schwenja>; APPROVED <04 OCT 2004 by hattaycs>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FIRST REPAYMENTS ANNOUNCED FOR INVESTORS IN ITT (OF IOS) FUND
TAGS: EFIN, LU, INTERNATIONAL INVESTMENT TRUST, INVESTORS OVERSEAS SERVICE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006